Government of
Saskatchewan

Annual Report
2005-2006

Saskatchewan
Agriculture and Food

Beef Development Fund

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This annual report is also available in electronic format from the department's website at **www.agr.gov.sk.ca**.

Letters of Transmittal

To His Honour,
The Honourable Dr. Gordon L. Barnhart
Province of Saskatchewan

Sir:

I have the honour to submit herewith the Annual Report of the Saskatchewan Beef Development Board for the twelve months ending March 31, 2006.

I have the honour to be, Sir,

Your obedient servant,

Mark Wartman
Minister of Agriculture and Food

August 2006

The Honourable Mark Wartman
Minister of Saskatchewan Agriculture and Food
Room 302, Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Sir:

I am pleased to present herewith the Annual Report of the Saskatchewan Beef Development Board for the twelve months ending March 31, 2006.

Respectfully submitted,

Keith Howse, Chairperson
Saskatchewan Beef Development Board

The Beef Development Fund

The Beef Development Fund (BDF) supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to production research, technology transfer, and development and promotion of new products.

The BDF was established in 1994 utilizing funds saved due to the termination of the National Tripartite Stabilization Program for Cattle and the marketing surplus from the Saskatchewan Beef Stabilization Board marketing account.

Funding under this program has been fully committed and BDF will no longer accept applications for funding.

Board Personnel

Board of Directors

Mr. Keith Howse, Chairperson . . . . . Pangman
Ms. Sandra Schneider (member at large). . Medstead
Mr. Harold Yelland. . . . . Porcupine Plain
Mr. Calvin Knoss . . . . . .Rockglen
Mr. George Siemens. . . . . Fiske
Mr. Lorne Cholin . . . . . Kerrobert

Staff

Staff services are provided through the Agriculture Research Branch and Corporate Services Branch of the Saskatchewan Department of Agriculture and Food.

Mr. Bob Drysdale . . . . . Secretary
Mr. Ken Petruic . . . . . Financial Manager
Ms. Tammy Bast . . . . . Database Co-ordinator/ Financial Records
Ms. Wendy Darmochid . . . . . Financial Records

Activities Report 2005 - 2006

This report covers the 2005 - 2006 fiscal year of operation of the Saskatchewan Beef Development Board (SBDB).

Background

The Saskatchewan Beef Development Board (SBDB) was established on June 28, 1994, to administer the Beef Development Plan and utilize the funds saved due to the termination of the National Tripartite Stabilization Program, and the surplus from the Saskatchewan Beef Stabilization Board marketing account.

The funding available to the SBDB on a one-time basis was $1.8 million from the Saskatchewan Beef Stabilization Board marketing account and $1.4 million from the provincial government for the transition Beef Industry Development Fund (to replace the provincial share in the National Tripartite Stabilization Program funds).

The SBDB supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to production research, including nutrition, management, disease prevention and pest control, reproduction, animal welfare, and environmental impact, technology transfer, and development and promotion of new products.

Activities in 2005-2006

The SBDB held meetings on November 16, 2005 and March 9, 2006. The Board reviewed the breakdown showing the remaining funds. It was decided to use the remaining funds to assist the Beef Industry Chair, Dr. John McKinnon, at the University of Saskatchewan. The funds would be disbursed over a period of five years. With all the funds committed, the Beef Development Fund (BDF) will no longer accept new applications. At the March meeting, the Board discussed hosting a wind-down reception to thank all the researchers who have received research funds from BDF. The Board also sent a letter to the Minister of Agriculture and Food to advise of the BDF wind-down and ask that the applicable Regulations under *The Agri-Food Act* be repealed.

The salient decisions of the SBDB during the year 2005-06 include:

- The SBDB approved its budget for 2005-2006 fiscal year.
- The SBDB approved the update of the allowable expenditure processes for the Board members.
- The SBDB approved the allocation of the remaining balance of the BDF to the Beef Industry Chair and the wind-down of the BDF.

BDF Completed Projects

19950337 - SEMEN COLLECTION IN BEEF BULLS

- to explore an alternative means to electro-ejaculation for semen collection from untrained beef bulls

Barth, Albert, Veterinary Teaching Hospital/Herd Medicine, Western College of Veterinary Medicine, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

19950338 - MAPPING PRODUCTION AND CARCASS TRAITS BY MICROSATELLITE TYPING IN BEEF REFERENCE FAMILIES

- to make extensive use of the bovine gene map to find genetic linkage between production and carcass quality data and genetic markers in beef reference families, a process known as reverse genetics

Mackay, George, Bova-Can Parentage Testing Inc., 15 Innovation Blvd., SASKATOON SK S7N 2X8

19950339 - DEVELOPMENT OF SIMPLE BLOOD TESTS TO IMPROVE DETECTION OF DISEASE

- to develop rapid, accurate, and cost-effective methods for monitoring disease in cattle
- to develop tests to measure aspects of the early inflammatory response which will be of diagnostic and prognostic value

Godson, Dale, Veterinary Infectious Disease Organization (VIDO), 120 Veterinary Road, SASKATOON SK S7N 5E3

19950340 - THE INDUSTRIAL REORGANIZATION OF THE BEEF PRODUCTION INDUSTRY: SASKATCHEWAN'S NICHE

- to investigate the industrial reorganization that is currently taking place in the beef production industry in North America
- to determine where Saskatchewan's niche can best be developed
- to accomplish preparing a comprehensive business plan which will include a human resource plan, a marketing plan, an operations plan, and a financial plan

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19950341 - INVESTIGATION OF INTERLEUKIN-8 EXPRESSION IN BOVINE PNEUMONIA AND ARTHRITIS

- to determine whether interleukin-8, a protein made in diseased tissue that acts to cause infiltration of neutrophils (a type that often causes tissue damage), is made in tissues from cattle with naturally occurring pneumonia or arthritis

Sorden, D. Steven, Veterinary Pathology, Veterinary Infectious Disease Organization (VIDO), 52 Campus Drive, SASKATOON SK S7N 5B4

19950343 - BEEF PRODUCT QUALITY PROGRAM

- to establish an applied research and new product development capability specifically for beef

Shand, Phyllis, Saskatchewan Food Innovation Program, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19950344 - DEMONSTRATION OF AUTOMATED ULTRASOUND GRADING SYSTEM TO COW-CALF OPERATORS, LARGE COMMERCIAL BEEF FEEDLOT OPERATORS AND PURE BREED OPERATORS

- to improve the software package developed in Phase III by providing feedback from demonstrations
- to improve the usability of the marbling software by understanding the needs of users
- to develop a strategy to market Sask. beef based upon the effective use of predicting carcass grade in cattle destined for Canadian, U.S. and other international markets
- to evaluate the performance of field tests at bull test stations

Johannesen, Sharron, Saskatchewan Cattle Feeders Association, Site 12 GB 259 RR4, SASKATOON SK S7K 3J7

19950345 - IMMUNOCASTRATION OF BULLS: EFFECTS ON AGGRESSIVE BEHAVIOR AND CARCASS QUALITY

- to eliminate aggressive behavior in feedlot bulls especially during the finishing phase, capitalize

on the superior growth, feed efficiency and lean carcass yield observed in bulls, eliminate dark cutting and reduced tenderness observed in bulls and to test an alternative humane castration procedure

van Kessel, A.G., Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

19950346 - REQUEST FOR DEVELOPMENT OF A BUSINESS PLAN AND INITIAL SEED MONEY FOR THE ESTABLISHMENT OF A BEEF RESEARCH CENTRE

- to develop a business plan and initial seed money for the establishment of a beef research centre

Laarveld, Bernard, Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

19950347 - INTEGRATED BACKGROUNDING AND FINISHING SYSTEMS FOR SPECIFIC MARKETS (MELFORT PHASE)

- to develop new pasture and forage based systems for lower production costs for backgrounding calves
- to determine the economics of the various new forage backgrounding systems

McCartney, Duane, Ag & Agri-Food Canada, 6000 C & E Trail, LACOMBE AB T4L 1W1

19950359 - FALL AND WINTER BACKGROUNDING OF BEEF CALVES ON PASTURE

- to evaluate the production and economic feasibility of growing weaned beef calves from 550 lb. to 900 lb. on pasture during fall and winter in southwestern Saskatchewan

Jefferson, Paul, G., Ag & Agri-Food Canada, P.O. Box 1030, SWIFT CURRENT SK S9H 3X2

19950362 - BOVINE TRICHOMONIASIS: PREVALENCE IN SASKATCHEWAN AND IMPROVED DIAGNOSTIC METHODS

- a province-wide survey of veterinary practitioners will give accurate data on the prevalence and risk factors for infections. The sensitivity and specificity of the present diagnostic methods for trichomoniasis are unsatisfactory. Required improvements will be sought, tested and made available to laboratories and veterinarians

Campbell, John, R., Department of Herd Medicine, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

19950364 - ORAL VACCINATION OF NEONATAL CALVES: INDUCTION OF LONG TERM IMMUNITY

- The adenovirus vaccine vector offers an effective method to deliver vaccine antigens directly to the site where immune responses first develop in newborn calves and in this way bypass problems associated with the immature system of newborn calves. Furthermore, the delivery of antigens directly to the site where the immune system first develops may induce lifelong immunity. Finally, oral immunization offers the potential advantage of being incorporated with current management practices (i.e. eartagging and dehorning newborn calves)

Griebel, Philip, Veterinary Infectious Disease Organization (VIDO), 120 Veterinary Road, SASKATOON SK S7N 5E3

19950365 - SERIES OF BOVINE INFORMATION BROCHURES

- to assist both new as well as existing producers. By providing knowledge of the symptoms, cause and treatment of common ailments found in modern cattle production, we hope to reduce the number of downer and condemned animals filtered through the auction markets

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

19950366 - TO ESTABLISH "SASKBEEF" AS A NEUTRAL BEEF INDUSTRY FORUM

- to bring all stakeholders, involved in the development of the beef industry in Saskatchewan, together in an ongoing open forum
- to provide an industry-wide team approach to promote the development of the beef industry

Braaten, Milt, Saskatchewan Cattle Feeders Association, Box 116, ABBEY SK S0N 0A0

19960291 - ALTERNATIVE METHODS OF SEMEN COLLECTION IN BEEF BULLS

- to develop alternative methods for routine semen collection from untrained beef bulls

Barth, Albert, Vet Teaching Hospital/Herd Medicine, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

19960292 - CATTLE FACS

- to assist both new as well as existing producers
- to provide knowledge of the symptoms, cause and treatment of common ailments found in modern cattle production

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

19960295 - A RISK MANAGEMENT OPTION FOR THE SASKATCHEWAN COW-CALF PRODUCER

- to examine the potential benefits of a cow-calf/ backgrounder price risk management tool that uses the Chicago Mercantile Exchange Feeder Cattle Futures contracts

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19960296 - DEMAND FOR VALUE ADDED BEEF PRODUCTS

- to assess the current and potential status of further processing of manufacturing and grinding beef in Saskatchewan in a Canadian context
- to investigate the consumer preferences of such processed products
- to examine the domestic marketing chain for beef products

Shand, Phyllis, Saskatchewan Food Talk, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19960301 - IMPACTS OF LIVESTOCK PENNING ON GROUNDWATER QUALITY

- to characterize existing feedlots as to the amount and rate of transport of materials from feedlot manure through the unsaturated soil system and the saturated groundwater system

Maule, Charles, Engineering, Agricultural Bioresources, University of Saskatchewan, 57 Campus Drive, SASKATOON SK S7N 5A9

19960379 - OPTIMIZING PASTURE PRODUCTION BY USING MIXTURE OF NATIVE SHRUBS AND LEGUMES IN SOUTHWESTERN SASKATCHEWAN

- to optimize mixtures of shrubs and forbs for economical production of pasture
- to obtain better understanding of mutual benefit of combinations of native forage shrubs and legumes to further improve their productivity

Schellenberg, M.P., Ag & Agri-Food Canada, Box 1030, SWIFT CURRENT SK S9H 3X2

19970177 - CORE FUNDING FOR THE FOUNDATION FOR ANIMAL CARE SASKATCHEWAN INC.

- to secure a three year Corporate Membership from the Saskatchewan Beef Development Fund to contribute as a Core Funder

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

19970375 - NOVEL VACCINE DELIVERY METHODS

- to examine methods of vaccine delivery, intranasal and transdermal
- to compliment the ongoing research in this area at VIDO

Baca-Estrada, Maria, Veterinary Infectious Disease Organization (VIDO), 120 Veterinary Road, SASKATOON SK S7N 5E3

19970380 – DEVELOPMENT OF BOVINE ANDENOVIRUS AS A VECTOR

- to develop adenovirus as a vector to deliver vaccines

Babiuk, Lorne, Veterinary Infectious Disease Organization (VIDO), 120 Veterinary Road, SASKATOON SK S7N 5E3

19970382 - AN ECONOMIC ANALYSIS OF RETAINED OWNERSHIP STRATEGIES

- to analyze the impact of alternative ownership strategies on other profitability and cash flow of cow/calf producers in Saskatchewan

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19980226 - "REACHING THE ROOTS" APPRISING CATTLE PRODUCERS OF QUALITY IMPROVEMENT TARGETS AND MANAGEMENT METHODS

- to increase the awareness of factors influencing the quality and safety of beef products "from pasture to plate"

Smith, Nikki, Saskatchewan Cattle Feeders Association, Site 12 GB 259 RR4, SASKATOON SK S7K 3J7

19980230 – FIELD TEST METHOD FOR BLUE-GREEN ALGAE TOXINS

- to develop and/or verify a cost-effective and practical field test kit that can be used to detect the presence or absence of the toxins produced by blue-green algae within any type of water supply prone to their growth

Bauer, Jim, Canadian Water Resource Association, P.O. Box 1329, CAMBRIDGE ON N1R 7G6

19980354 - DEVELOPMENT OF RATIONS FOR RED VEAL PRODUCTION WITH HOLSTEIN BULL CALVES

- to develop and evaluate cereal grain based rations for production of red veal

Christensen, D., Department of Animal and Poultry Science, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19980355 – HEALTH AND FEEDING MANAGEMENT STRATEGIES FOR NEWLY WEANED CALVES

- to develop receiving protocols and restricted feeding programs for cattle backgrounded and finished under Saskatchewan environmental conditions

Campbell, John, Department of Herd Medicine and Theriogenology, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

19980356 - ELECTRIC FENCE ENERGIZER EVALUATIONS

- to evaluate a maximum of 12 electric fence energizers for effectiveness of this operation. These evaluations will be available to the public through the Prairie Agricultural Machinery Institute (PAMI), information services

Lucyshyn, Troy, PAMI, Box 1150, HUMBOLDT SK S0K 2A0

19980360 – VACCINE DELIVERY FOR ORAL IMMUNIZATION OF CALVES

- to develop vaccine delivery systems to orally immunize newborn calves

Griebel, Philip, Veterinary Infectious Disease Organization (VIDO), 120 Veterinary Road, SASKATOON SK S7N 5E3

19980361 – EFFECTS OF CASTRATION TECHNIQUES AND ANESTHETICS ON BEHAVIOUR AND PERFORMANCE OF FEEDLOT BULLS

- to determine if pain of castration of feedlot bulls varies between surgical and rubber ring methods

Campbell, John, Department of Herd Medicine and Theriogenology, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

19980362 – INVESTIGATION OF THE ROLE OF BOVINE VIRUS DIARRHEA AND MYCOPLASMA BOVIS IN CHRONIC PNEUMONIA OF FEEDLOT CATTLE

- to clearly define BVD virus, mycoplasma bovis and other agents in chronic pneumonia in feedlot cattle

Wobeser, A., Gary, Western College of Veterinary Medicine, 52 Campus Drive, SASKATOON SK S7N 5B4

19990188 – CORPORATE MEMBERSHIP IN FACS

- to secure a three year Corporate Membership from the Saskatchewan Beef Development fund to contribute as a support the Farm Animal Council's core activities

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

19990391 – FOUNDING PARTNER MEMBERSHIP IN THE WESTERN BEEF DEVELOPMENT CENTRE INC

- to obtain a founding partner membership with the BDF and to continue to make an ongoing contribution to the production and distribution of information to beef cattle producers

LaClare, John, Western Beef Development Centre, 203 – 105 North Road, SASKATOON SK S7N 4L5

19990392 – BEEF QUALITY ASSURANCE AND FOOD SAFETY PROJECTS FOR SASKATCHEWAN

- to provide a technical and program update to qualified speakers in Saskatchewan
- to focus communication efforts and assess communication tools/program
- to assist administration of projects in Parts A, B, C, and E
- to cover costs of speaker expenses

Smith, Nikki, Saskatchewan Beef Quality Working Group, Saskatchewan Cattle Feeders Association, Site 12 GB 259 RR4, SASKATOON SK S7K 3J7

20000322 – HOT BOX COMPETITION

- to host a new organized event by the Regina Academy of Chefs and Cooks

Perrin, Joan, Beef Information Centre, #8 2010 7th Avenue, REGINA SK S4R 1C2

20000340 – AN ASSESSMENT OF WESTERN CANADIAN BEEF DEVELOPMENT

- to investigate and analyze the implications of transforming cropland to livestock for at least two representative rural municipalities in Saskatchewan

Centre for Studies in Agriculture Law and Environment (CSALE), University of Saskatchewan, SASKATOON SK S7N 5A2

20010122 – DELIVERY OF ON-FARM QUALITY ASSURANCE TO SASKATCHEWAN PRODUCERS

- to hire a provincial on-farm delivery co-ordinator (in relation to the Canadian Cattleman's Quality Starts Here Program)

Smith, Nikki, Saskatchewan Beef Quality Working Group, Saskatchewan Cattle Feeders Association, Site 12 GB 259 RR4, SASKATOON SK S7K 3J7

20010340 – CANADIAN PRODUCTION RE: HIGH STATUS SEED OF THE U.S. PUBLIC FORAGE VARIETIES UNDER AGREEMENT WITH USDA/STATE CROP IMPROVEMENT ASSOCIATIONS

- to access, quarantine, increase and release on a cost recovery basis genetic material not always available in Canada and/or where Canadian material access is restricted
- work wherever possible with Canadian material even on a contract basis while encouraging more access be made for Canadian public funded releases

Pocock, Dale, Saskatchewan Crop Improvement Association, Box 749, NIPAWIN SK S0E 1E0

20010342 – PREVALENCE AND RISK FACTORS FOR E. COLI 0157:H7 IN WESTERN CANADIAN COW/CALF HERDS

- to measure the prevalence of E.coli 0157:H7 in the feces of calves from commercial herds at calving
- to describe risk factors at the herd and individual animal level for the occurrence of E.coli 0157: H7. To then use this information to aid in the development of management practices to decrease environmental and human health risks
- to determine to what extent this organism is associated with calf sickness and death loss in cow/calf herds

Waldner, Cheryl, Western College of Veterinary Medicine (WCVM), 52 Campus Drive, SASKATOON SK S7N 5B4

20010343 – CORPORATE MEMBERSHIP IN FACS

- to secure a three year Corporate Membership for the Saskatchewan Beef Development Fund to contribute as a support to the Farm Animal Council's core activities

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502 – 45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

20020005 - "DOWNER COW SYNDROME" IN BEEF COWS FED WINTERING RATIONS BASED ON GREEN FEED

- to work with a selected number of beef producers (five to six) in the northwest region of Saskatchewan to identify what factors led to the development of grass tetany/milk fever-like symptoms in over 70 herds in the northwest region of Saskatchewan during the 2002 calving season

McKinnon, John, Department of Animal and Poultry Science, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

20020254 – CATTLE FACS

- to expand on the Cattle FACS Series concept by producing a number of brochures relevant to drought related issues

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

20040605 – DELIVERY OF THE VERIFIED BEEF PRODUCTION PROGRAM IN SASKATCHEWAN

- to maintain the momentum being experienced within the Verified Beef Production Program

Long, Dave, Saskatchewan Beef Quality Working Group, Box 189, VIBANK SK S0G 4Y0

BDF Ongoing Projects

20020240 – EVALUATION OF THE NRC 1996 FEED REQUIREMENTS FOR WINTERING BEEF COWS – ARE WE OVER FEEDING OUR COWS/PHASE 2 LACOMBE ALBERTA

- to measure the actual energy requirements and energy expenditures of feed efficient beef cows in different body condition

McKinnon, John, University of Saskatchewan, Department of Animal Poultry and Science, 51 Campus Drive, SASKATOON SK S7N 5A8

20030604 – VALUE-ADDED BEEF PROGRAM

- to provide co-ordinated research, new product development and process improvement training in an effort to assist in the expansion and diversification of the Saskatchewan beef processing industry and to enable the province's meat processors to improve the efficiency and profitability of their operations

Shand, Phyllis, University of Saskatchewan, Saskatchewan Food Innovation Program, 51 Campus Drive, SASKATOON SK S7N 5A8

20030607 – MILK FEVER PREVENTION IN BEEF COWS – A NUTRITIONAL APPROACH

- to study the nutritional link between milk fever and the feeding of cereal-based green feeds that have a high potassium content
- to investigate the effects of feeding high potassium forages to beef cows on serum electrolyte levels and the incidence of milk fever with the intent of defining the DCAB ration of the diet that predisposes beef cows to milk fever

McKinnon, John, Department of Animal and Poultry Science, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

20030609 – CORPORATE MEMBERSHIP IN FACS – 2005–2007

- to secure a three year corporate membership from the Saskatchewan Beef Development Fund to contribute as a support to the Farm Animal Council's core activities

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

20030610 – ECONOMICS OF FORAGE BASED PRODUCTION SYSTEMS FOR SASKATCHEWAN

- to determine the production potential and quality of new and established forages under grazed conditions
- to determine total beef production per acre from a managed twice-over rotational system (Manske)
- to determine the economic returns of forage and beef production from these pasture types
- to determine the net return to equity per acre from grazing grass, legume and mixed forage stands
- to used the results to make recommendations to Saskatchewan producers and SAF agrologists as to grazing and economic potential for these forages

Lardner, Bart, Western Beef Development Centre, 72 Campus Drive, SASKATOON SK S7N 5B5

20040608 – HYDROLOGICAL WATER BALANCE OF PRAIRIE CATTLE FEEDING OPERATIONS

- to define the hydrology of prairie cattle feedlot operations with emphasis placed on determination of pen runoff. To date (2002-2004), one feedlot has been monitored (Eston); however, closure in 2003 has resulted in a poor data set. In spring 2005, the project will expand to three or four active feedlots near Saskatoon. The project will entail two years of monitoring (2005-2006) with final report due December/06

Maule, Charles, Department of Engineering, Agricultural Bioresource, University of Saskatchewan, 57 Campus Drive, SASKATOON SK S7N 5A9

20040609 – DISTRIBUTION, SEASONALLY, AND PERSISTENCE OF MYCOBACTERIUM PARATUBERCULOSIS (JOHNE'S DISEASE) IN THE ENVIRONMENT OF COW CALF FARMS IN WESTERN CANADA

- to determine what environmental areas, including water sources, on a cow-calf farm become contaminated with M. paratuberculosis and how long these areas remain infective
- to establish if there are seasonal influences that affect the environmental contamination of these areas

- to determine if environmental sampling has a role as a potential diagnostic testing alternative on cow calf farms

Campbell, John, Department of Herd Medicine and Theriogenology, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

20050759 – TECHNOLOGY TRANSFER ACTIVITIES OF THE SASKATCHEWAN BEEF INDUSTRY CHAIR

- to develop closer ties between the beef industry and groups involved in conducting beef research in the province

Classen, Henry, Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

Management Report

Management is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. It is the responsibility of management to prepare financial statements in accordance with generally accepted accounting principles in Canada.

The integrity of the financial records from which these financial statements are prepared is largely dependent on management's systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are appropriately recorded in order to permit preparation of financial statements; and, assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived therefrom.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board meets periodically with management to satisfy itself that management's responsibilities are properly discharged, and reviews and approves the financial statements and annual report.

The Provincial Auditor of Saskatchewan has audited the financial statements. His report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on the following pages.

The financial statements have been examined and approved by the Board.

Submitted by:

Mr. Harvey Brooks
Deputy Minister
Saskatchewan Agriculture and Food

Mr. Ken Petruic
Manager, Financial Services
Saskatchewan Agriculture and Food

July 21, 2006

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
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Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Beef Development Board as at March 31, 2006 and the statement of revenue, expense and net assets for the year then ended. The Fund's management is responsible for preparing these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 7, 2006

Fred Wendel, CMA, CA
Provincial Auditor

Financial Statements

Statement 1

Beef Development Board
Statement of Financial Position
As at March 31

	2006	2005
ASSETS		
Current assets		
Due from General Revenue Fund (Note 4)	$ 414,348	$ 583,057
Accrued interest receivable	3,700	3,555
	$ 418,048	$ 586,612
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 26,840	$ 11,909
Net assets (Statement 2)	391,208	574,703
	$ 418,048	$ 586,612

(See accompanying notes to the financial statements)

BEEF DEVELOPMENT BOARD
STATEMENT OF REVENUE, EXPENSE AND NET ASSETS
For the Year Ended March 31

	Budget 2006 (Note 7)	2006	2005
Revenue			
Interest revenue	$ 10,699	$ 13,824	$ 14,254
Miscellaneous revenue	---	2,107	---
Total revenue	10,699	15,931	14,254
Expense			
Project expenses (Note 5)	239,780	198,308	162,905
Grants	---	---	7,500
Board expenses	5,000	1,118	3,080
Miscellaneous expenses	3,500	---	1,083
Total expense	248,280	199,426	174,568
Deficit for the year	$ (237,581)	(183,495)	(160,314)
Net assets, beginning of year		574,703	735,017
Net assets, end of year - to Statement 1		$ 391,208	$ 574,703

(See accompanying notes to the financial statements)

BEEF DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2006

1. Authority

The Beef Development Board (Board) was established pursuant to Section 4 of The Agri-Food Act 2004 to administer the Beef Development Plan. The Beef Development Plan was established effective June 28, 1994 to enhance the Saskatchewan beef and beef cattle industry through research, development and promotional activities that the Board considers to be in the best interests of the industry.

The Board administers the Plan through the Beef Development Fund.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting principles are considered significant:

a)Research and Development projects

Payments for research and development projects are recorded as project expenses when approved and the eligibility criteria, if any, have been met by the recipient.

3. Financial Instruments

Receivables/Payables

These financial instruments include items that are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates their fair value.

4. Related Party Transactions

Included in these financial statements are transactions with Saskatchewan Crown agencies related to the Board by virtue of common control or significant influence by the Government of Saskatchewan.

The money of the Beef Development Board is deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the Beef Development Board. Interest is paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate for 2005/2006 is 2.82% (2004/2005 is 2.19%).

The Board receives the use of office and administrative services from the Department of Agriculture and Food without charge.

Other transactions with related parties and amounts due to/from them are disclosed separately in the financial statements and notes thereto.

5. Research and Development Projects

Project expenses are as follows:

	2006	2005
Saskatchewan Quality Starts Here	$ 56,000	$ ---
University of Saskatchewan	109,468	95,095
Western Beef Development Centre	11,840	46,315
Saskatchewan Beef Quality Working Group	---	5,000
Farm Animal Care Council of Saskatchewan	5,000	16,495
Prairie Agricultural Machinery Institute	16,000	---
	$ 198,308	$ 162,905

6. Commitments

At March 31, 2006, the Board has approved projects for payment in the following years.

2006/2007	$123,810
2007/2008	$122,445
2008/2009	$ 73,042
2009/2010	$ 24,600
2010/2011	$ 15,000

7. Budget

The Board approved the budget on March 7, 2005.

8. Cash Flow Statement

No cash flow statement is presented because the required cash flow information is readily apparent from the other financial statements.

9. Significant Events

On March 9, 2006, the Board agreed to wind down its existence and request repeal of the applicable Regulations of *The Agri-Food Act.*

Project Payments

Please note: The following project payments represent only the payments made in the 2005-2006 fiscal year. These amounts do not reflect total project contract amounts for these initiatives.

Department of Animal and Poultry Science University of Saskatchewan	Technology Transfer Activities of the Saskatchewwan Beef Industry Chair	$ 15,000
Department of Animal and Poultry Science University of Saskatchewan	Milk Fever Prevention in Beef Cows - A Nutritional Approach	$ 24,168
Department of Engineering, Agricultural Bioresource University of Saskatchewan	Hydrological Water Balance of Prairie Cattle Feeding Operations	$ 4,800
Department of Herd Medicine and Theriogenology University of Saskatchewan	Distribution, Seasonally, and Persistence of Mycobacterium Paratuberculosis (Johne's Disease) in the Environment of Cow-Calf Farms in Western Canada	$ 21,500
Farm Animal Care Council of Saskatchewan (FACS)	Corporate Memberships in FACS - 2005-2007	$ 5,000
Saskatchewan Beef Quality Working Group	Delivery of the Verified Beef Production Program in Saskatchewan	$ 56,000
Saskatchewan Innovation Food Program University of Saskatchewan	Value-Added Beef Program	$ 44,000
Western Beef Development Centre/Prairie Agricultural Machinery Institute	Economics of Forage Based Production Systems for Saskatchewan	$ 11,840
Western Beef Development Centre/Prairie Agricultural Machinery Institute	Low-Cost Winter Feeding Systems for Cow-Calf Producers	$ 16,000